

INFORMATION REPORT

COUNTRY Germany (Russian Zone)

SUBJECT Handels-Organisation (HO)

~~CONFIDENTIAL~~

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ACQUIRED [REDACTED]

NO. OF ENCLS.
(LISTED BELOW)

DATE OF
INFO. [REDACTED]

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SUPPLEMENT TO
REPORT NO.

1. The Handels-Organisation (HO), which runs restaurants and stores, and delivers food, textiles, shoes, etc., at high prices and without ration coupons, was formerly established on a centralized basis and controlled all business from Berlin. The director of this large organization, which also delivers goods to consumers' cooperatives, was formerly a young man named Ziegler (fnu). The present head of this organization is a certain Bracht (fnu). A departure from former procedure was the recent decision to give a certain independence to individual trading organizations for the separate regions which are able to conduct independently a large portion of their purchasing. The separate regional trading organizations are as follows:

Main Office

Berlin and Mark Brandenburg
Sachsen
Province Sachsen
Anhalt
Thuringia
Mecklenburg
Pomerania
Lusatia and Silesia
Uckermark

Berlin
Dresden
Halle
Dessau
Weimar
Schwerin
Rostock (sic)
Görlitz
Angermünde

- 25X1X 2. [REDACTED] two important officials in this organization. One is Heilmann (fnu), who is in charge of purchase of food for the Handels-Organisation in Berlin. Heilmann is about 52 years old, an experienced businessman, and formerly performed the same duties for the Wertheim department store. The second man is Grundmann (fnu), head of the Handels-Organisation for Thuringia. Grundmann is about 60 years old and formerly worked for Edeka, the purchasing organization of German grocery dealers. Grundmann is reported to be the most skillful man in the entire trading organization.

3. The following information has been received concerning the business methods of the Handels-Organisation: Whenever import agreements are concluded, particularly in the case of food products, payment is made in hard currencies; an effort is also made to arrange compensation agreements. Recently, a compensation agreement was concluded between the Handels-Organisation in Berlin and a British firm in Hull. Raisins are being supplied by the British firm, in return for the delivery of Beitzberger plates, i.e., ceramic products produced in Eastern Germany.

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In connection with such agreements, the Eastern Zone of Germany makes its delivery in advance, while the receiving firm puts up a bank guarantee equivalent to the value of the product which it has agreed to deliver. The basis for computation is always in dollars. All contracts involving foreign countries are submitted for approval to Deutscher Aussenhandel (DAHA).

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